

Multiple Crop Insurance offers farmers an opportunity to protect the money and labor that they invest in producing the crops from which their income is derived against loss from causes beyond their control.

It protects the investment in several crops with the cost of this protection reduced in direct proportion to the amount of diversification on the insurance unit. There is one coverage for an insurance unit and one premium. The investment protection that can be provided on a unit is determined from the acreages planted to the insurable crops and the same is true for the premium.

The program is operated by the Federal Crop Insurance Corporation, an agency of the United States Government, on a basis whereby in effect the farmers in a county can build their own crop insurance business. They are expected over a period of years to pay premiums that will cover the losses paid to insured farmers under the program, and the actual loss experience in the county will determine the cost of the protection over the years. At the same time the county crop insurance business is being built, farmers have the Federal Government standing behind their crop insurance policies so that if widespread crop disaster strikes before the county has been able to build needed reserves, the indemnities due insured producers will be paid in full.

Those who undertake the job of explaining this program to the farmers in the county and obtaining their participation in it will be pioneers in the building of this local crop investment

protection business. They carry an important responsibility. They are builders of a program that can render great service to their county by protecting the money and labor invested by its farmers against loss from crop disasters that no farmer can control.

The sales agents occupy the key role in successful launching of this program. They have the job of getting producers to clearly understand the program. That is the basic job, for most producers who truly understand what this program offers will participate in it. They will realize that they cannot afford to be without this protection because as long as they invest money and labor in crops that grow under the open sky, their investment can be destroyed any year that crop disaster strikes their farm. Crop disaster can strike any farm any year. It may not, but it may strike for the first time in the insured's experience. Insurance protects against what might happen.

### YOU RENDER A VALUABLE SERVICE

You perform a valuable service each time you persuade a producer to sign an application for a Crop Insurance policy. Your contribution to the success of the County Crop Insurance Program will be the number of producers whose crop investments are protected due to your efforts. You should urge every producer to invest in this protection for it is an investment in security. The dollar spent for crop insurance is the most important dollar that the producer invests in his operating costs because it protects the others.

Multiple Crop Insurance is the only protection



of its kind available to farmers. It is backed by the Federal Government in order to meet a need that has existed and been recognized since farming began. Through it, the producer can add a basic principle of good business -- protection of the investment -- to his operations. It provides protection comparable to that which has long been available to businessmen through private companies and is considered an essential part of business operations.

The service that you render goes beyond the producer and his family. Crop Insurance not only protects the well-being of the farm family, but cushions the impact of crop failure on the local business community, the stability of the Nation's agriculture and the national economy.

### YOU CAN DO A GOOD JOB

There are very few farmers, or people who work with farmers, that cannot do a successful job of explaining crop insurance and obtaining signed applications from many of those contacted. If you sincerely want to do a good job and are willing to put forth the effort necessary, you will get good results. A good job of farming or anything requires work and usually some extra effort at the start to get the job under way properly. Selling Crop Insurance is no exception to the general rule and the good workers stand out just as prominently as in farming or anything else.

### KNOW THE PROGRAM

Crop Insurance is an easy program to explain as you will learn by reading through this Handbook and preparing yourself to answer questions about

the provisions of the policy that producers may ask.

When you understand crop insurance, there is no doubt that it is a sound business proposition for every farmer. When you give the farmer this same understanding, he will want its protection.

As you read through your Handbook underline all the points that the prospect should know. Then go through the Handbook a second time and put a double underline under those points that you need to explain to the producer after he signs, such as reporting a loss, etc.

### THE POLICY PROVIDES PROTECTION

A Crop Insurance policy provides protection of the crop investment with the farmer paying a premium for this protection against the unknown -- against what can happen to any crop any year that crop disaster strikes.

Crop disaster can strike any farm. It may not but it can. Like other insurance, Crop Insurance protects against what might happen. It is a program of protection and the individual who considers it in terms of his chances of collection does not understand the purpose of insurance.

You should recognize when you start that some people will not sign an application the first time that you explain the program to them. They want to think it over. Get back and see these people soon and give them a little more encouragement toward making a sound investment in security -- spending the most important dollar that they put into their operating expenses.



Many of these you will actually have sold the first time and just need to go back and get their signatures. Leave every prospect with the realization that you know that every year many farmers suffer crop failures for the first time, so you naturally regard it as good business to protect the crop investment every year.

### UNDERSTANDING IS ESSENTIAL

You should not expect prospects to sign applications until you have fully explained the program so that they have a clear understanding of what it offers them. Your success will not depend upon any special selling techniques, but simply upon how well your prospects understand the opportunity that you have to offer them and how many prospects you contact.

It is the wrong approach in making a sales contact to ask a prospect whether he is interested in crop insurance. It isn't a fair question. People aren't interested in something that costs them money unless they understand its value. The first step is to get your prospect to understand what you have to offer. He doesn't have a chance to give you an intelligent answer until he does understand. Don't let the man who doesn't want to understand upset you. Tell him that you have a responsibility to explain the program to him but you'll make it very brief. Point out that only a few minutes will be needed and your conscience will be clear in the event that crop disaster should strike his crop. Give him a general outline and then work out the coverage and premium for his operations. Never forget that you do every producer a favor if you give him understanding whether he signs or not.

## YOU ARE A KEY MAN

The kind of a job that you do is the biggest single factor in the building of a successful Crop Insurance program in your county. Few problems arise in servicing contracts that have been properly sold. The policyholder will get exactly what he has bought. You are the one who tells him what he buys. Tell him so he has no chance to misunderstand.

The county office will provide you with the means of determining the coverage and premium for different farms. You must present the coverage and premium on an insurance unit basis. The producer should know the acreage forming an insurance unit and the coverage and premium for the unit to have a clear understanding of his protection.

## REMEMBER

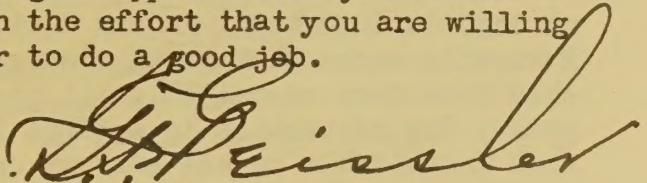
You can do a good job only if you understand Crop Insurance and put forth the necessary effort. Don't leave a prospect without asking him to sign his name on an application. You do him a favor if he signs so you should be aggressive in trying to get his signature.

You have a specified amount of protection that you can offer the farmer. Don't let him confuse crop investment protection with last year's big crops or his average yields. Sell him investment protection on its own merits. To improve his business position, every farmer should protect his crop investment against the many production risks that he can't control as long as the crop is under the open sky.



The following pages contain an explanation of the major program provisions and some suggestions for presentation. Study these and the policy and get answers from the county office on any points that you do not understand.

If you are sold yourself, you can sell others because you will be able to give them understanding. How many signed applications you obtain will depend upon the effort that you are willing to make in order to do a good job.

A large, stylized handwritten signature in dark ink, appearing to read 'G. F. Geissler', is written over the typed name.

G. F. Geissler, Manager  
Federal Crop Insurance Corporation

## **MULTIPLE CROP INSURANCE PROGRAM PROVISIONS**

The Multiple Crop Insurance policy protects the producer's investment in the insurable acreage that he plants to the insurable crops listed on the front cover page.

### **PROTECTION PROVIDED**

The Multiple Crop Insurance policy protects the producer's investment in any combination of the insurable crops that he plants against unavoidable loss from essentially all production hazards. The protection is against loss resulting from unavoidable causes such as drought, flood, hail, winterkill, wind, frost, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation and plant disease.

These are the production hazards that man cannot control, but which can destroy the crops on any farm. It does not, of course, cover losses resulting from avoidable causes such as neglect or poor farming practices.

The protection begins at planting time and normally ends upon harvest or removal from the field but in no event later than December 10. (In counties where perennials are insured the insurance period will be shown in the rider to the policy).

### **WHO MAY INSURE**

A landlord, owner-operator, or tenant may apply for insurance on his interest in the insurable crops. When the application is accepted, a Multiple Crop Insurance policy will be mailed to the producer. Each individual must apply for insurance in order for his share in the crops to be insured. Some land and individuals are not eligible due to the risk involved.



Generally only one application from a person is necessary. An application signed in an individual capacity will also cover the applicant's interest as a co-owner and as a joint-operator. In these cases each interested person should file a separate application. However, in the case of a person who desired insurance on farms operated by him in an individual capacity and also on farms operated by him in a representative or fiduciary capacity (agent, administrator, executor, guardian, etc.) or on other farms operated by a partnership in which he is a partner, separate applications must be filed.

#### INSURED ACREAGE

The policy will cover all insurable acreage in the county in which the insured has an interest at the time of planting. Only acreage for which a coverage and rate have been established is insurable.

The contract does not cover (1) acreage seeded too late to expect to produce a normal crop, (2) acreage not reseeded to the insured crop when it is practicable to reseed, or (3) irrigated acreage the first year after leveling.

Promptly after the completion of planting of all the insurable crops, the insured is required to file an acreage report showing the acreage planted to each insurable crop and his interest in each. The producer must report his insurable acreages promptly after planting is completed.

If acreage of an insured crop is released and an insurable crop is planted on the released acreage, the insured shall report this acreage in order to have full protection. If this acreage is not reported and a loss occurs on the insurance unit, all insurable acreage will be used to determine the coverage and production for the unit. In such cases, when the premium for the reported acreage is less than the premium computed for the planted insurable acreage, the indemnity will be reduced proportionately.

The Corporation reserves the right to limit the insured acreage to the allotment or permitted acreage. The acreage approved by the County Committee for insurance will be the insured acreage on any crops with acreage allotments in 1950.

### INSURANCE UNITS

While one policy covers all of the insured's farming operations in the county, whether he has one farm or several farms, losses are settled separately on each insurance unit. In determining the acreage which constitutes an insurance unit, it is necessary to consider producers in three groups -- owner-operator, landlord or share tenant. Here is the way to determine insurance units:

(1) For an owner-operator, all insurable acreage in which he has 100 percent interest in the crop is one insurance unit including land rented for cash or for a fixed commodity payment. (An applicant could have only one unit of this type).



(2) For a landlord, all insurable acreage owned by him and rented to one share tenant is one insurance unit. (A landlord would have as many units of this type as he has share tenants).

(3) For a share tenant, all insurable acreage owned by one person and operated by the share tenant is one insurance unit. (A share tenant would have as many units of this type as he has landlords).

An applicant may combine any two or more units into one combination unit if he elects to do so on his application. Such a combination may sharply reduce his total premium. Producers should be encouraged to combine units.

Find out the insured's intended farming operations so that you can determine how many insurance units he has and can explain the coverage for each, but be sure to show him the coverage and premium for the combination of his units and encourage him to elect to combine his units into one.

#### AMOUNT OF COVERAGE

The County Office will furnish you the county actuarial table from which you will figure the coverage for each insurance unit. In determining the insurance units for the producer's operation, you have also learned the number of acres of each crop he intends to plant on each unit and his interest in the crops. Figure out his coverage for each insurance unit as follows: (See example on page 11).

(1) Acres for each crop times the producer's interest gives you the net acres. Round

the net acres to whole acres except for any crops which the actuarial table shows net acres in tenths of acres. (Five or more rounds up, four or less rounds down). Enter the net acres for each crop in the net acre column. You will use the net acres to compute both the coverage and the premium.

(2) Opposite the net acres shown in Column 1 of the actuarial table for the crop you will find in Column 2 the coverage for that acreage. Enter this coverage for each crop in the column for computing the coverage for the insurance unit.

(3) The total of the coverage for the acreage of all the crops is the coverage for the insurance unit.

(4) The coverage for the unit should be entered in the column provided on the worksheet. This coverage and the net acres for each crop are used in finding the premium on the actuarial table.

When insured acreage is released at the producer's request for planting a substitute crop, that portion of the coverage represented by the released acreage is reduced one-half.

Remember, Federal Crop Insurance protects the investment -- it is not intended to insure a profit. Protecting what is invested is good business.

### PREMIUM

You will figure the premium for the insurance unit as follows: (See example on page 11)



(1) On the actuarial table for the crop on the line showing net acres for the crop, reading to the right find the first box where the top figure is equal to or greater than the coverage for the insurance unit. The bottom figure in this box is the premium for the crop acreage. Using the net acres for each crop and the coverage for the insurance unit, find on the actuarial table and enter in the premium column the premium for each crop acreage.

(2) The total of the premium for all crop acreages is the premium for the insurance unit.

You can now tell the producer the protection and the cost of the protection for the insurance unit.

There will be a 5% discount if he reports his acreage and pays the premium in full on or before \_\_\_\_\_. If the insured does not take advantage of the discount, his premium note will be due \_\_\_\_\_.

Federal Crop Insurance is actually available to producers at less than cost since the administrative expenses of operating the program are provided by Congress to make it possible for farmers to have this needed protection which is not otherwise available to them. Premiums are used only to pay losses to insured producers. All premiums paid by county farmers which are in excess of losses paid in the county are credited to the county and by incorporating the county experience in the premium rates periodically, the actual operation of the program in the county will determine the cost of the protection over a period of years. The crop insurance premium is deductible as a farm operating

expense on a farmer's income tax return. You may want to stress this point to some producers as it will reduce the net cost of their protection by the percent of their income tax bracket. For some people this will mean a substantial saving.

### LOSSES

An indemnity is paid an insured when the value of the total production from the insured crops on an insurance unit, based on the predetermined prices, is less than the coverage for the unit. Indemnities are paid by Government check promptly after the loss claim is approved.

In determining 1950 losses on multiple crop insurance policies in the county, production of the insurable crops will be valued at the predetermined prices shown on the inside of the back cover.

In determining the total production for an insurance unit, the actual production harvested and any production appraised on unharvested acreage will be counted. However, in the case of acreage released and planted to a substitute crop, no production will be counted against the coverage unless the appraisal exceeds the portion of the coverage represented by the acreage released. When the appraisal does exceed the coverage for the acreage, only that part of the appraisal in excess of the coverage for the released acreage will be counted as production. You will remember that in the case of substitute crop acreage the coverage is 50% of the established coverage.

Quality protection is provided by the Multiple Crop Insurance policy. Be sure to point this



out to the producer. If any harvested production is not eligible for a CCC loan or support price because of quality and cannot be put into condition to qualify for the loan or support with proper handling, a fair market value for this poor quality production will be determined and only this amount will be charged against the coverage. If there are any crops for which quality protection is not provided, they are listed on the inside of the back cover.

After the producer has signed an application tell him: (1) that he must report losses to the county office in writing, (2) to report any severe damage to any of the insured crops immediately after the damage occurs, (3) that he must report any loss or possible loss under the contract immediately after harvest of his crops is completed and should report the likelihood of a loss under his policy just as soon as it becomes apparent that an indemnity may be due him, and in no event later than the close of the insurance period and (4) not to put any damaged acreage to another use until it is released by the Corporation's adjuster and to request such a release through the county office just as soon as the possibility of wanting insured acreage released develops. (If corn is one of the insurable crops, it may be used for silage or fodder without a release providing a number of representative rows are left so that an accurate appraisal of production can be made by the adjuster.)

#### OTHER IMPORTANT POINTS

Term of Contract — The policy continues in force for each crop year unless it is cancelled by the insured or by the Corporation. For any year either party may cancel the policy on

on or before \_\_\_\_\_, effective beginning with crops planted for harvest in the next calendar year. With this contract it will not be necessary to make a new application each year in order to have Federal Crop Insurance protection. If changes are made in the contract, the insured will be advised of these changes in advance of the cancellation date.

Collateral Assignment -- The original insured may assign his right to any indemnity as collateral for a loan or other obligation by executing Form FCI-20, "Collateral Assignment", and filing it at the county office. A Federal Crop Insurance policy will make any producer a better credit risk since it may provide the necessary security to enable him to obtain financing. This feature can be stressed to good advantage in some cases as a selling point ... from the standpoint of both the producer and the lending or credit institution.

Transfer of Interest -- The transferee may have protection under the insured's contract if he executes a transfer of interest form at the county office within 15 days after the transfer occurs. The original insured continues to be liable for any premium due on the acreage and interest transferred if it is not paid by the transferee.

Hail Insurance -- The amount of a Federal Crop Insurance indemnity will not be reduced because the farmer also carries hail insurance. Hail insurance and Federal Crop Insurance are not competitive. Hail insurance covers only the one risk while Federal Crop Insurance covers essentially all unavoidable risks.



## FILLING OUT APPLICATION

### PREPARATION OF FORM

The applicant's name should be printed in the space provided at the top of the form exactly as it is signed. If you follow the very good practice of filling out the form before you urge the producer to sign, you will want to ask how he signs his business papers.

Leave the spaces for state and county code, county and state opposite the producer's name and address blank. These will be filled in by the county office.

Enter "50" on the application in the blank space in (For Continuous Contract Beginning with the 19\_\_ Crop Year) directly below APPLICANT FOR MULTIPLE CROP INSURANCE.

Item D. The county office will give you instruction if this item is to be completed in the field.

Enter "does" in the blank space in E IF the producer has more than one insurance unit and elects to combine them. Remember too that you should encourage producers to combine units.

Enter the date of the applicant's signature in the space provided below the premium note directly opposite the producer's signature.

Sign the application as witness to the applicant's signature.

### SIGNATURES

Applications should be signed with indelible

pencil or ink and must be handwritten, not printed. Signatures should include at least one given name, an initial, if any, and the surname.

When a person signs in a representative capacity he must show (1) the name of the principal for whom he is acting, (2) his own signature, and (3) the capacity in which he signs.

Following are some examples of signatures correctly affixed:

1. As an individual:

- a. John T. Smith
- b. J. Thomas Smith
- c. Mary L. Smith

2. As agent:

- a. John T. Smith, by Henry O.  
Brown, Agent
- b. Smith and Jones, a partnership,  
by George E. Miles, Agent

3. As member of partnership:

- a. Smith and Jones, by John T.  
Smith, a partner

The above types of signatures cover most cases. If you should obtain an application with a signature that you are doubtful about, call this to the attention of the county office. Should you need additional information regarding the



\*correct manner of affixing a signature, you may obtain it at the county office.

### YOUR SALES REPORT

You are required to make regular reports of contacts and sales to the county office on the form that they furnish you.

Information needed for your sales report includes (1) name of each person contacted, (2) date contacted, (3) if application is signed, the number of insurance units covered, and (4) if application is not signed, brief reasons why and whether you will re-contact him.

